

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-02 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-01

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 XMB-02

FTC-01 JUSE-00 /090 W

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R 130110Z MAR 75

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 6672

INFO AMEMBASSY CARACAS

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DEPARTMENT PASS ALL ARA DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: MX VN ECIN EGEN ETRD

SUBJECT: ALEJO AIDE DISCUSSES SELA

BEGIN SUMMARY:

IN CONVERSATION WITH VISITING YOUNG US POLITICAL LEADERS  
SECRETARY OF NATIONAL PATRIMONY JURIDICAL ADVISOR DESCRIBED  
SELA OBJECTIVES AS ESTABLISHING GOV'T-TO-GOV'T MULTINATIONAL  
ENTERPRISES AND PROVIDING VEHICLE FOR POOLING RESEARCH  
CAPABILITIES OF DEVELOPMENT MINISTRIES OF LA GOV'TS.  
USG EXCLUDED BECAUSE ITS STRUCTURE DID NOT LEND ITSELF TO  
JOINT VENTURES WITH OTHER GOVERNMENTS. END SUMMARY.

1. ON MARCH 11 TWO EMBOFFS ACCOMPANIED GROUP OF EIGHT FROM  
AMERICAN COUNCIL OF YOUNG POLITICAL LEADERS (ACYPL) TO  
INTERVIEW WITH LIC. MANUEL SUAREZ MIER, JURIDICAL ADVISOR  
TO SECRETARY OF NATIONAL PROPERTY FRANCISCO JAVIER ALEJO.  
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DISCUSSION, WHICH LASTED APPROXIMATELY ONE HOUR, DEVOTED

IN GOOD PART TO LATIN AMERICAN ECONOMIC SYSTEM (SELA).

2. SUAREZ DESCRIBED SELA AS THE LATEST MANIFESTATION OF LATIN DESIRE FOR ECONOMIC INTEGRATION. PREVIOUS EFFORTS, E.G. LAFTA, ANDEAN PACT, HAD BEEN TOO AMBITIOUS. SELA WOULD BITE OFF SOMETHING IT COULD CHEW, ATTEMPT PROJECTS WHICH WERE REALISTIC, WHICH COULD SUCCEED. SELA WOULD BUILD UPON THESE ORGANIZATIONS WHERE POSSIBLE, NOT SUPPLANT THEM. MOMENTUM WAS IMPORTANT AND SINCE "NOTHING SUCCEEDS LIKE SUCCESS," PROJECTS HAD TO BE PRACTICAL. GOM AND GOV HAD RECOGNIZED THAT ROLE OF PUBLIC SECTOR IN MOST LA'S PROVIDED PRESENTLY EXISTING BASIS FOR JOINT-GOVERNMENTAL ENTERPRISES, I.E., MULTI-NATIONAL ENTERPRISES. SOME FORTY TO FIFTY DIFFERENT PROJECTS HAD BEEN DISCUSSED WHERE VARIOUS LA GOVTS SAW POSSIBILITY OF COOPERATIVE GOVERNMENTAL VENTURES. FOR EXAMPLE, HE SAID GOVT OF FRANCE HAD PROMISED US-CANADA MARKET FOR JOINTLY PRODUCED MEXICAN-BRAZILIAN RENAULT IF THEY SUCCEEDED IN PRODUCING AT COMPETITIVE PRICES. RECENT PHOSPHATE DISCOVERIES IN BAJA CALIFORNIA HAD POSSIBILITIES OF COOPERATIVE EXPLOITATION WITH GOVT OF ECUADOR. FIRST, IMMEDIATE UNDERTAKING, THEREFORE, WOULD BE GOVT-TO-GOVT JOINT VENTURES WHICH COULD BE VISIBLY AND DEMONSTRABLY SUCCESSFUL.

3. SECOND MAJOR OBJECTIVE WOULD BE TO PROVIDE INFORMAL VEHICLE WHEREBY DEVELOPMENT MINISTRIES OF VARIOUS GOVTS COULD POOL AND COORDINATE RESEARCH AND KNOWLEDGE ON VARIETY OF ECONOMIC ISSUES AFFECTING COMMON LATIN INTERESTS. SUAREZ SAID LATINS RECOGNIZED THEY OFTEN HAD NOT DONE THEIR HOMEWORK PROPERLY. LATINS, FOR EXAMPLE, HAD BEEN CAUGHT BY SURPRISE WHEN CLUB OF ROME PUT FORTH "ZERO GROWTH" IDEA.

4. SUAREZ SAID IDEA FOR SELA HAD BEEN MEXICAN, BUT VENEZUELAN HAD RECEIVED IT SO ENTHUSIASTICALLY, THEY NOW WERE IN LEAD ON ISSUE. MEXICO COULD NOT ASPIRE TO LA LEADERSHIP, SINCE IT WAS "TOO FAR NORTH," GEOGRAPHICALLY AND PSYCHOLOGICALLY.

5. SELA ORGANIZATION WOULD BE LOOSELY STRUCTURED; FOR TIME BEING IT WOULD CONSIST OF NOTHING MORE THAN THE PROJECTS, IN WHICH ALL LA GOVTS INTERESTED WOULD BE INVITED TO JOIN. SOME GOVTS OBVIOUSLY WOULD TAKE LEAD IN SOME PROJECTS, IN LIMITED OFFICIAL USE

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OTHER PROJECTS IT WOULD MAKE MORE SENSE FOR OTHER GOVTS TO SPONSOR.

6. IN RESPONSE TO QUESTION, SUAREZ RECOGNIZED THAT TARIFFS HAD ALWAYS BEEN AN OBSTACLE TO PAST INDUSTRIALIZATION INTEGRATION EFFORTS, BUT WHERE POLITICAL WILL EXISTED SUAREZ WAS OPTIMISTIC THAT WITHIN SELA FRAMEWORK THIS COULD BE OVERCOME.

7. IN RESPONSE TO QUESTION, SUAREZ SAIS US WAS EXCLUDED NOT OUT OF AN ANTI-US ATTITUDE BUT BECAUSE USG PUBLIC SECTOR ROLE DID NOT LEND ITSELF TO KIND OF GOVT-TO-GOVT COOPERATIVE VENTURES PLANNED. WHEN ACYPL MEMBER SAID USG HAD CONTROL OVER COASTAL ZONE AND SELECTION OF DEEP WATER PORTS (AS EXAMPLE OF USG ROLE IN ECONOMY) SUAREZ SAID SOME KIND OF US PARTICIPATION WAS NOT EXCLUDED ON PRINCIPLE, BUT LATINS WANTED TO BEGIN WITH PROJECTS WHICH THEY COULD VISUALIZE SUCCEEDING, AND LACK OF COMPATIBLE USG STRUCTURE PRESENTED OBVIOUS PROBLEMS TO US PARTICIPATION. HE SAID PERHAPS IN FUTURE LA GOVTS WOULD UNDERTAKE COOPERATIVE VENTURES WITH US BASED TRANSNATIONALS, WHICH IN HIS OPINION COULD BE HELPFUL WAY OF REDUCING CONFLICT IN THIS AREA.

8. PUSHED BY SEVERAL MEMBERS WHO COMMENTED FRANKLY THAT SUAREZ'S DISCLAIMERS OF ANTI-US BIAS WERE UNCONVINCING, SUAREZ SAID ANTI-US RHETORIC OFTEN SERVED AS MEANS TO AVOID INTERNAL REFORM. ANTI-US TALK WAS BECOMING TRITE AND OUTMODED, BUT "RESENTMENT OF US" WAS STILL VERY MUCH ALIVE. THE 1969 ROCKEFELLER REPORT, E.G. HAD SAID "NICE THINGS" ABOUT LA, BUT SUAREZ CLAIMED THAT THE "COMPAANION SECRET REPORT, A COPY OF WHICH THE GOM HAD OBTAINED, COMMENTED THAT IF LATIN AMERICA SANK TOMORROW, US INTERESTS WOULD NOT BE UNDULY AFFECTED."

9. ASKED IF IT MADE GOOD SENSE TO FORM COMMODITY CARTELS EXCLUDING THE LARGEST COMMODITY CONSUMER, SUAREZ SAID LA'S RECOGNIZED THAT THERE WOULD BE A "WELFARE COST" IN FORMATION OF SUCH ASSOCIATIONS. HE ALSO SAID SUCH ASSOCIATIONS (E.G. COFFEE) REALLY WOULD NOT BE CARTELS, SINCE "OBJECTIVE CONDITIONS" FOR CARTELS DID NOT EXIST ANYWHERE EXCEPT IN PETROLEUM.

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10. SUAREZ ALSO OBSERVED THAT LA'S HAD NO PRETENSIONS OF SELA LEADING TO COORDINATION OF POLITICAL POLICIES - LA REALITY PREVENTED THAT. NEITHER WOULD IT BE USED TO TRY TO FOSTER TREND TOWARD DEVELOPMENT OF DEMOCRATIC INSTITUTIONS - NOTHING COULD TORPEDO IT MORE QUICKLY. ABOVE ALL, GOM AND GOV WANTED IT TO SUCCEED.

11. SUAREZ FINALLY COMMENTED THAT HE AND ALEJO WERE OFF TO CARACAS MARCH 12 TO "NAIL DOWN FINAL DETAILS."

12. BIO NOTE: SUAREZ, 26, IS ECONOMIST BY TRAINING, EDUCATED AT NATIONAL UNIVERSITY OF MEXICO, NATIONAL SCHOOL OF ECONOMICS, AND UNIVERSITY OF CHICAGO. UNTIL RECENTLY HE HAD MINOR POSITION IN SECRETARIAT OF PRESIDENCY. SUAREZ SPOKE IN ENGLISH, LACING AT TIMES TOUGH GIVE AND TAKE DISCUSSION WITH HUMOR.

IF ALEJO IS PART OF 1976-82 GOM ADMINISTRATION, SUAREZ  
UNDOUBTEDLY WILL ACCOMPANY HIM.  
JOVA

NOTE BY OC/T: NOT PASSED ARA POSTS.

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## Message Attributes

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